

## COMCARE LIQUIDATION PROCEEDS TRUST

This TRUST AGREEMENT (this "Agreement") is made effective this 8th day of July, 1999, by and among COMCARE, INC., an Arizona non-profit corporation ("Trustor"), and the DEPUTY DIRECTOR OF THE DIVISION OF BEHAVIORAL HEALTH ("BHS"), ARIZONA DEPARTMENT OF HEALTH SERVICES ("Policy Trustee"), and VALUEOPTIONS, INC., a \_\_\_\_\_ corporation ("Administrative Trustee") (collectively, the "Trustees").

**Section 1. Purpose.** Trustor is in the process of liquidating its assets and resolving outstanding claims and issues arising in the course of its duties under its contract with the BHS as the Regional Behavioral Health Authority ("RBHA") for Maricopa County, Arizona, and arising in the course of its other charitable business. Trustor desires to ensure that the net proceeds from its assets are used consistently with the charitable purposes for which Trustor was created and that such funds are used in accordance with the policies of the State of Arizona as administered through BHS. Trustor intends that this Trust be administered in such a manner as to preserve the federal and Arizona tax-exempt status of Trustor under Section 501(c)(3) of the Internal Revenue Code and corresponding provisions of Arizona law, and in furtherance of Trustor's non-profit endeavors in the mental health field. Every provision of this Trust Agreement shall be interpreted consistent with this express intent. Any provision of this Trust Agreement that is inconsistent with this intent shall be of no force and effect.

**Section 2. Trust Property and Beneficiaries.** Trustor hereby irrevocably transfers to, and Trustees hereby acknowledge receipt of, the property described in Schedule "A" attached hereto (the "Initial Trust Property"). The Initial Trust Property and any other property that may be contributed by Trustor to the Trust in the future, and any increases thereof from interest, dividends or otherwise (the "Trust Property") shall be held by Trustees and administered according to the terms of this Agreement. Trustees shall hold the Trust Property in trust for charitable purposes to benefit persons residing in Maricopa County, Arizona, that are eligible under applicable Arizona law for behavioral health services.

**Section 3. Contributions of Trust Property.** Trustor may contribute funds to the Trust, from time to time, in such amounts and at such times as determined by Trustor in its sole discretion. Nothing herein shall create any rights in either the Beneficiaries (defined below) or the Trustees, in any of Trustor's assets, funds, or any other property of Trustor, until such time as the assets, funds, or any other property are actually contributed to the Trust.

**Section 4. Purposes for Which Trust Property Shall Be Used.** After the payment of all ordinary and necessary costs of maintaining the Trust Property, a reasonable fee to the Administrative Trustee for the fair market value of services actually provided by the Administrative Trustee under this Trust Agreement, and the expense of periodic audits of the Trust by an independent certified public accountant, the Trust Property shall be distributed for charitable purposes to benefit persons residing in Maricopa County, Arizona, that are eligible under applicable Arizona law for behavioral health services (hereinafter the "Beneficiaries"). The Trust Property shall be distributed directly to or for the benefit of the Beneficiaries (or a subgroup thereof) or to one or more of the following entities for the benefit of the Beneficiaries (or a subgroup thereof):

(a) Organizations exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code that will use the funds for the benefit of the Beneficiaries (or a subgroup thereof), or

(b) Federal, state or local governmental units that will use the funds for the benefit of the Beneficiaries (or a subgroup thereof).

## **Section 5. Trustees and their Powers.**

### **(a) Policy Trustee.**

(1) The person appointed as Policy Trustee under this Trust Agreement shall serve as Policy Trustee as long as such person continues to serve in the capacity of Deputy Director of the Division of Behavioral Health ("BHS"), Arizona Department of Health Services ("ADHS") and shall be succeeded as Policy Trustee by any successor(s) to such position. If such position ceases to exist at BHS, then the Director of ADHS shall appoint a successor Policy Trustee for this Trust.

(2) The Policy Trustee shall determine, in its sole discretion, from time to time, the amount of Trust Property that may be used in accordance with the terms of this Trust Agreement and shall have the discretion to direct that any of the funds or property constituting the Trust Property, including principal, accrued interest, accrued dividends, or other income or increases to the Trust Property, be used in accordance with the terms of this Trust Agreement.

(3) The Policy Trustee may remove the Administrative Trustee, from time to time, for any reason or no reason at all. In the event of a vacancy in the position of Administrative Trustee, whether by removal, resignation or otherwise, the Policy Trustee shall appoint a duly qualified person or entity as Administrative Trustee of this Trust. Until such vacancy is filled or in the event that no Administrative Trustee accepts the appointment, the Policy Trustee shall have all of the powers and duties of the Administrative Trustee as set forth in this Trust Agreement.

(4) Notwithstanding the irrevocable nature of the Trust, the Policy Trustee shall have the power, acting alone, to amend the Trust in any manner required for the sole purpose of ensuring that the Trust does not jeopardize the qualification of Trustor as a non-profit corporation, exempt from federal and Arizona income tax under Section 501(c)(3) of the Internal Revenue Code and corresponding provisions of Arizona law.

### **(b) Administrative Trustee.**

(1) The Administrative Trustees shall serve from its acceptance of the appointment as Administrative Trustee, as evidenced by its execution of this Agreement by a duly-authorized representative (or by the execution of an addendum to this Agreement by a duly-authorized representative in the case of a successor Administrative Trustee) until its resignation, removal by the Policy Trustee, or termination of the Trust, whichever occurs first.

(2) The Administrative Trustee shall, as a condition to its service, obtain, in place, and provide evidence thereof to the Policy Trustee, of an in force policy of insurance against crime, fraud and dishonesty, in an amount not less than \$1.0 million, naming the Trust as an additional insured. The Administrative Trustee shall be reimbursed for the premium(s) for such policy from the Trust Property.

(3) Upon appointment, and until termination, the Administrative Trustee shall hold and manage the Trust Property and collect the income therefrom. In connection therewith, the Administrative Trustee shall have the power and authority on behalf of the Trust:

(i) To hold, manage, control, sell, convey, invest, and reinvest the corpus of said Trust Property in accordance with the priorities and guidelines established by the Policy Trustee from time to time;

(ii) To pay all reasonable expenses incidental to the administration of the Trust from the Trust Property and to employ and pay agents and professionals and others when in the judgment of the Administrative Trustee it is necessary or proper for the protection, management or preservation of the Trust Property;

(iii) To execute bills of sale to personal property with covenants of general warranty binding on the Trust Property;

(iv) To invest and reinvest the proceeds of any sale or sales of Trust Property, as the Administrative Trustee may deem desirable, but the Administrative Trustee shall be limited to such investments as are legal investments for fiduciaries in Arizona, and suited to preservation of principle, including, but not limited to, money market accounts, certificates of deposit, commercial paper, obligations of the U.S. Treasury, or the like, with any applicable maturity of such investments not in excess of 90 days;

(v) To retain the securities or investments conveyed to it upon creation of this Trust, or which may be conveyed to it at a later date, whether or not such securities or investments are legal trust investments under the laws of Arizona or elsewhere;

(vi) To pay all assessments, subscriptions, and other sums as it may deem appropriate for the protection of its interest as Administrative Trustee as holder of any securities or property of any corporation or entity, and to sell or exercise any right to subscribe for additional securities, and to make any and all necessary payments required in connection therewith, and in general, to exercise with respect to all securities held by it, all rights, powers and privileges which are or may be lawfully exercised by any person or corporation owning similar property in his, her or its own right;

(vii) To compromise, settle, arbitrate, or otherwise adjust claims in favor of or against the Trust Property; and

(viii) To make distributions from the Trust Property, but only in accordance with the terms of this Trust and written instructions provided by the Policy Trustee; any discretion in the amount or nature of the distributions must be granted by the Policy Trustee in a prior written authorization or direction to the Administrative Trustee.

Notwithstanding the foregoing powers and authorities, the Administrative Trustee shall have no power or authority with respect to the administration or operation of the Trust, which would jeopardize Trustor's federal and Arizona tax exemption under Section 501(c)(3) of the Internal Revenue Code and corresponding provisions of Arizona law. In managing the Trust Property, the Administrative Trustee shall have no power to engage in any trade or business or any other activity except as specifically provided herein, and may not borrow, lend, pledge, encumber, or otherwise dispose of or grant an interest in the Trust Property.

(4) The Administrative Trustee may resign at any time upon sixty (60) days' prior written notice to the Policy Trustee.

(5) Each successor Administrative Trustee under this Agreement shall have, exercise and enjoy all of the rights, powers and privileges, both discretionary and ministerial, as are herein and hereby given and granted unto the original Administrative Trustee, and shall incur all of the duties and obligations imposed upon the original Administrative Trustee. No successor Administrative Trustee shall be personally liable for any act or omission of any predecessor. A successor Administrative Trustee may accept the account rendered and the Trust Property received as a full and complete discharge of the predecessor Administrative Trustee without incurring any liability for so doing.

(6) The Administrative Trustee shall be compensated from the Trust Property solely for the fair market value of its services under this Agreement, as more specifically to be set forth in an agreement between the Policy Trustee and the Administrative Trustee. The Administrative Trustee shall hold no beneficial interest in the Trust Property, and shall keep such Trust Property in separate and segregated trust accounts clearly identified as Trust Property, and shall not commingle the Trust Property with its own property or the property of any other person or entity.

(7) The Administrative Trustee shall maintain books and records for the Trust Property pursuant to generally accepted accounting principles, and provide financial statements audited by an independent certified public accountant at the request of the Policy Trustee.

**Section 6. Irrevocability / Termination.** This Agreement is irrevocable. Except as otherwise expressly provided herein, Trustor acknowledges that it shall have no right or power, whether alone or in conjunction with others, in whatever capacity, to alter, amend, revoke or

terminate the trust or any of the terms of this Trust Agreement, in whole or in part, or to designate the person or persons who shall possess or enjoy Trust Property or the income therefrom during the term of the Trust. This Trust shall terminate upon the final distribution of Trust Property, in accordance with written instructions from the Policy Trustee to the Administrative Trustee.

**Section 7. Additional Provisions.**

(a) The Trust herein created is to be construed and governed according to the laws of the state of Arizona. In the event that any action is brought to enforce a parties' rights hereunder, all parties consent to the jurisdiction of the courts of the State of Arizona and to venue in Maricopa County, Arizona to resolve such dispute. In any such dispute, the prevailing party shall be entitled to recover its court costs and reasonable attorneys' fees.

(b) Section headings are for convenience only, and do not affect the meaning of the provisions of the terms of this Trust Agreement.

(c) This Trust Agreement may be executed in counterparts, which when taken together shall constitute the entire agreement of the parties.

**TRUSTOR:**

COMCARE, INC., an Arizona non-profit corporation

By: Fred G. Webb

Its: CEO/CFO

**POLICY TRUSTEE:**

ARIZONA DEPARTMENT OF HEALTH SERVICES

By: John Allen

Its: Director

**ADMINISTRATIVE TRUSTEE:** VALUEOPTIONS, INC., a Virginia corporation

By: Michael R. Zent

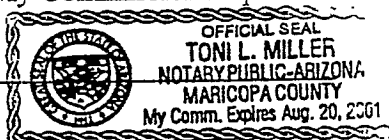
Its: CEO Maricopa Co. RBH

STATE OF ARIZONA           )  
  )ss.  
County of Maricopa        )

SUBSCRIBED, SWORN TO and ACKNOWLEDGED before me this 30<sup>th</sup> day of July, 1999 by James R. Miller, the Director of ARIZONA DEPARTMENT OF HEALTH SERVICES, on behalf of the organization.

Toni Miller  
Notary Public

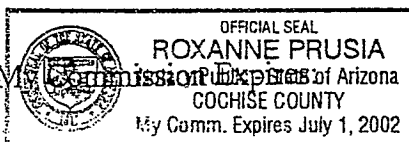
My Commission Expires:



STATE OF ARIZONA           )  
  )ss.  
County of Maricopa        )

SUBSCRIBED, SWORN TO and ACKNOWLEDGED before me this 2<sup>nd</sup> day of August, 1999 by Michael R. Zent, the Chief Executive Officer of Co. PBHA of VALUEOPTIONS, INC., a Virginia corporation, on behalf of the corporation.

Roxanne Prusia  
Notary Public



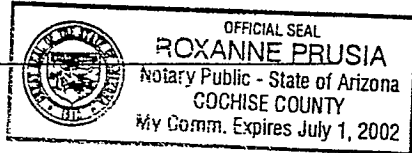
STATE OF ARIZONA           )  
  )ss.  
County of Maricopa        )

SUBSCRIBED, SWORN TO and ACKNOWLEDGED before me this 3<sup>rd</sup> day of August, 1999 by F. Randy Warren, the CEO/CFD of COMCARE, INC., an Arizona non-profit corporation, on behalf of the corporation.

for F. Hardy was a signature on Con Care Trust agreement dated 9/3/99

Roxanne Prusia  
Notary Public

My Commission Expires:



SCHEDULE A

INITIAL TRUST PROPERTY

THREE MILLION SEVEN HUNDRED THOUSAND AND NO/100 DOLLARS, TO  
BE DELIVERED UPON FULL EXECUTION OF THE TRUST AGREEMENT.